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SPEAKER KRISTENSEN: Senator Raikes.

SENATOR RAIKES: Thank you, Mr. Speaker and members. Senator Coordsen, if I could continue with you, that the question I wanted to ask you was if...you talked about new entrance into the Reorganization Incentive Program appearing from now until the program ends in August of 2002. If there were a large number of systems that entered, is there a provision in the bill that whatever funds would...are available would be prorated?

SENATOR COORDSEN: I cannot answer that honestly, Senator. I don't believe that there is. I think it's a finite amount.

SENATOR RAIKES: Well, I...I...I...

SENATOR COORDSEN: It would be, yeah, my staff said it would be prorated, what we have. Bear in mind much of this is...are schools that are already in the system, Senator, and if they have their base year this year they're in for '01 and '02, and '02 and '03. If they've been approved and their base year is '01 and '02, then they're in for '03 and '04, either year...calendar years '03 and '04. So, based upon that analysis, the most I think that new incentive could be would be somewhere at around \$7 million, which would be the out year. The last year that incentive payments would be made would be 2004 and '05, and that's \$7 million, estimated.

SENATOR RAIKES: Okay, so I guess the point I wanted to make clear is that there is a mechanism in place for prorating the amount of funds so that, in effect, that protects the state treasury in the event that there were a large number of school systems in this one-year window now that will be...will be open between now and next August 1 of the year 2002. If there were a lot of systems that...that made application for this money the state's obligation would be protected because that fixed amount of money would simply be prorated. On the other hand, those school systems would be...the amount of money they would receive would be influenced by how many other school systems they had to...that were in the...in the pot, so to speak, so that the actual amount any school system might receive would be a variable in that case. Is that your understanding?